

Purpose:

- 1 To identify Related Parties of The City as defined by the Public Sector Accounting Board.
- 2 To determine when transactions between these Related Parties and The City must be disclosed in the Annual Financial Report.

Policy Statement(s):

- 3 From The City's perspective, Related Parties are:
 - (1) entities that are Controlled by The City or The City Shares Control with other entities (e.g., Red Deer Public Library and government partnerships such as Central Alberta Access Prosperity);
 - (2) the Mayor and Councillors;
 - (3) Key Management Personnel (KMP) and their Close Family Members;
 - (4) entities Controlled by or under Shared Control of KMP or their Close Family Members.
- 4 Related Party Transactions are to be disclosed in the Annual Financial Report when both of the following criteria is met:
 - (1) The transaction occurs at a value different from that which would have been arrived at if the parties were unrelated; and
 - (2) The transaction has a Material Financial Effect.
- 5 If a Related Party Transaction does not meet both of the above criteria, Financial Services may decide to disclose it if they believe it to be in the best interest of The City.
- 6 KMPs, in The City's perspective, are City employees who are designated officers, General Managers, the Chief Financial Officer, and the City Clerk.
- 7 KMPs must declare the following to Financial Services on an annual basis:
 - (1) Close Family Members;
 - (2) profit organization where the KMP or their Close Family Member owns over 10% voting shares, partnership interest, or act as director or officer;
 - (3) not-for-profit organization where the KMP or their Close Family Member sits on the board or committee;
 - (4) other organizations where the KMP or their Close Family Member has significant influence or Control; and
 - (5) Any Non-Monetary Transactions of the KMP or any of the identified Related Parties listed under sections 7(1) to (4) to The City, or vice versa, during the calendar year.

Definitions:

- 8 "**Close Family Member**" means a KMP's spouse or common law partner and those dependent on either the KMP or the KMP's spouse or common law partner. A non-dependent child or

stepchild who is affiliated with The City is also considered a Close Family Member for the purposes of this policy.

- 9 “**Control**” means the power to govern the financial and operating policies of another entity with expected benefits or the risk of loss to the controlling entity from the other’s activities.
- 10 “**Material Financial Effect**” means a reported amount or disclosure that could potentially affect decisions of The City’s financial information users. Whether something is of Material Financial Effect is subject to professional judgement and need not solely be based on a dollar amount threshold.
- 11 “**Non-Monetary Transactions**” means transactions that do not involve the exchange of cash or promise to pay cash (e.g., barter sales, donations in-kind).
- 12 “**Related Party**” means when one party has the ability to exercise Control or has Shared Control over the other or when both parties are controlled by the same entity and Elected Officials. Key Management Personnel and their Close Family Members are also considered to be Related Parties.
- 13 “**Related Party Transactions**” means a transfer of an economic resource or obligations between Related Parties or the provision of services by one party to a Related Party. The parties must be related prior to when the transaction takes place.
- 14 “**Shared Control**” means when more than one entity shares in the decision making related to financial and operating activities of another entity based on terms of a contractual agreement.

References/Links:

- 1 CPA Canada Public Sector Accounting Handbook – PS 2200 – Related Party Disclosure
- 2 Associated Policies and Procedures:
 - (1) 1022-CA City Manager Delegation
 - (2) 5327-CA Financial Reporting & Accounting
 - (3) 5328-CP Government Reporting Entity Procedure
- 3 Associated Bylaws:
 - (1) Regional Assessment Review Board Bylaw 3474/2011
 - (2) City Manager & Designated Officers Bylaw 3685/2022

Scope/Application:

- 1 This Policy applies to Financial Services and all KMPs.

Authority/Responsibility to Implement:

- I The Chief Financial Officer is authorized to implement and update this Policy as required. The Chief Financial Officer is responsible for monitoring compliance with this Policy as well as with the Public Sector Accounting Standards.

Inquiries/Contact Person:

- I Financial Analyst – Systems & Methods

Policy Monitoring and Evaluation:

- I This Policy will be reviewed every three years with revisions made as required such as changes to the applicable Public Sector Accounting Standards.

Document History:

Date:	Approved/Reviewed By:	Title:
Approved: March 1, 2019	“Craig Curtis”	City Manager
Revised: July 13, 2020	“Allan Seabrooke”	City Manager
Revised: June 17, 2024	“Tara Lodewyk”	City Manager

Appendix A

Related Party Sample Form

NAME**John Doe, GM of Sample Services**

(please print)

Community Affiliation Declaration

Please disclose the following, if applicable:

- a) Name of profit organization where you hold >10% voting shares/partnership interest; or act as director or officer.
- b) Name of not-for-profit organization where you sit on the board or committee.
- c) Name of other organizations or groups over which you have significant influence or control.

Name	Affiliation	Other Comments
Example Ltd.	50% voting shares	
For Instance Society of Central Alberta	Vice Chair	Stepped down Jul 31, 2019

Does the City have a contract with any of the organizations listed above?

For Instance Society

(If yes, please specify the organization. If no, put N/A)

Family Member Declaration

Please disclose the names of following:

- a) First and last name of spouse or common law partner
- b) First and last names of your dependent and dependents of spouse or common law partner
- c) First and last names of children or stepchildren who are no longer dependent, but are affiliated with The City during the year.

Name	Relation	Affiliations (Organization in which family member owns >10% voting shares or partnership interest; or acts as a director or officer, sits on board or committee.)	Comment
Jane Doe	Wife	50% voting shares in Example Ltd.	
John Doe Jr.	Son		
Susie Doe	Daughter	City employee	not dependent

Does the City have a contract with any of the individuals or organizations listed above?

N/A

(If yes, please specify the organization. If no, put N/A)

Declaration of In-Kind Transactions

Please disclose all non-monetary transactions that occurred between you, your close family members, or organization affiliations, and The City, if any.

Receiver	Date	Description of goods and/or services	Value estimated or known
For Instance Society of Central Alberta	February 02, 2019	Office furniture and fixtures	\$5,000

The City of Red Deer (The City) is collecting personal information to comply with the related party disclosure standard put in place by the Public Sector Accounting Board. This information in part may be subject to disclosure in The City's Annual Financial Report if it meets certain criteria outlined in PS2200 of the Public Sector Accounting Handbook. The personal information on this form is collected under the authority of the Municipal Government Act Section 3 and is protected under the provisions of the Freedom of Information and Protection of Privacy (FOIP) Act. If you have any questions about the collection, use, and protection of this information, please contact the Chief Financial Officer in Financial Services, Intermediate School Level 400, 5205 48 Ave, Red Deer, AB T4N 6X3. Ph. 403-342-8204

Signature

Date